



# YOU WALK

## BAIL BOND AGENCY, INC.

December 15, 2009

### NATIONAL HEADQUARTERS

• 39 CHURCH ST. •  
• MT. CLEMENS, MI • 48043

### DETROIT OFFICE

• 1442 BRUSH ST., FL 1 •  
• DETROIT, MI • 48226

### TOLEDO OFFICE

• 1709 SPEILBUSCH, STE. 101 •  
• TOLEDO, OH • 43624

### TACOMA OFFICE

• 925 TACOMA AVE. S. •  
• TACOMA, WA • 98402

### AGENTS HANDLING

Akron, Oh-330-297-9090  
Alpena, Mi-989-354-5616  
Anderson, In-765-254-1625  
Ann Arbor, Mi-734-971-9733  
Benton Harbor, Mi-269-934-9255  
Boise, Id-208-376-9255  
Canton, Oh-330-305-9255  
Charleston, SC-843-554-4311  
Cincinnati, Oh-513-651-9255  
Cleveland, Oh-216-249-9255  
Columbus, Oh-614-228-9255  
Davenport, Ia-563-823-9999  
Dayton, Oh-937-222-2663  
Des Moines, Ia-515-422-9255  
Detroit, Mi-313-345-9255  
 Fargo, ND-701-235-4884  
Gary, In-219-884-9255  
Grand Rapids, Mi-616-458-9255  
Kalamazoo, Mi-269-343-9255  
Kettering, Oh-937-558-0387  
Indianapolis, In-317-632-9255  
Inglewood, Ca-310-844-7282  
Lansing, Mi-517-827-9255  
Lebanon, Oh-513-228-0199  
Lorain, Oh-440-288-9255  
Long Beach, Ca-310-984-5258  
Los Angeles, Ca-310-734-6652  
Mansfield, Oh-419-526-9200  
Marion, Oh-740-387-2100  
Middletown, Oh-513-425-9255  
Minneapolis, Mn-612-278-9255  
Mt. Clemens, Mi-586-469-9255  
Muncie, In-765-254-1625  
Noblesville, In-317-773-4494  
Olympia, Wa-360-895-9255  
Pontiac, Mi-248-335-9255  
Port Orchard, Wa-360-570-9255  
Richmond, In-765-935-4359  
Santa Ana, Ca-714-265-7682  
Seattle, Wa-206-217-9255  
Sidney, Oh-937-498-9233  
Spartanburg, SC-864-583-0909  
Spokane, Wa-509-326-9255  
St. Paul, Mn-651-414-3333  
Tacoma, Wa-253-383-9255  
Toledo, Oh-419-213-1500  
Warren, Mi-586-446-0411  
Winston-Salem, NC  
Youngstown, Oh-330-747-9255  
Xenia, Oh-937-376-9992

IOWA, INDIANA, IDAHO,  
LOUISIANA, MICHIGAN,  
MINNESOTA, NORTH DAKOTA,  
NORTH CAROLINA, OHIO, SOUTH  
CAROLINA, WASHINGTON

Committee of Regulator Reform  
Chairman Bert Johnson  
326 House Office Building  
Lansing, MI

Chairman Johnson:

Chairman and committee members, I would like to thank you for allowing me the opportunity to speak to you about the possibility of licensing the bail bond industry.

My name is Justin Butler and I have been in the Bail Bond industry my whole life. My family has been in the Bail Bond industry for over 25 years and I have been working in bail bonds for 14 years. I first became licensed as a property and casualty limited lines surety producer in 1998. This was my first experience with the licensing process of bail agents in the state of Michigan. During this process, I read 1 sentence on bail bonds in my pre-licensing materials and I believe that there were no questions on the exam regarding bail bonds or the judicial system as it relates to bail bonds. Fortunately I worked in the family business for 6 years before starting my own agency. There were many aspects of this industry to learn and the only place that I learned this information was from the agency that I worked for. I know that there are a few other agencies that individuals can obtain significant training from, but there are even more agencies that hire people and put them to work with little training, little experience, and little oversight.

Fortunately because of the training that I received and a little hard work and good luck, I was able to start my own agency in 2001. Over the next 8 years I would be fortunate enough to grow my bail agency to operate in 11 states and have 70 agents & employees. This has given me the opportunity to see how several different states operate and oversee licensing of the Bail Bond industry.

I have a very unique perspective on all of these licensing laws. I am the only resident bail agent that operates a retail bail bond agency, deals directly with the public, the court system, and the jail system in this many states. I am licensed as a bail agent in 7 states; I currently carry bail bond licenses in Kansas,

# “YOU CALL...YOU WALK”

Idaho, Louisiana, New Jersey, Nevada, Ohio, and Washington. I am also on the approved list of bail agents to execute bonds in 5 of those states. I am one of the few people in Michigan that has executed a bail bond in multiple states. I feel that this gives me the unique perspective of speaking about actually completing the licensing processes; I have completed the multiple fingerprint/background checks, taken the bail bond tests, and studied the material.

Although I recognize that a licensing process is not scripture just because a specific process is used by another state but it does give us great insight to how a procedure might work. We cannot guarantee that any specific item will succeed but we can see how the application of these bills would benefit the public, the judicial system, and the bail bond industry.

What I have noticed most often, is that any industry that has not been licensed almost always initially resists the new laws but opinions change once everyone has had a moment to see how everyone benefits from such a simple package. The state of Michigan licenses Insurance Adjusters, Hair Stylists, Real Estate Agents, Contractors, and Mortgage Loan Officers, just to name a few but when these people deal in the areas that bail agents do. We have access to criminals on a daily basis. We have, and most of us utilize, the right to arrest. We deal with large amounts of liability but no one is there making sure that we are qualified or that we are doing our jobs correctly. Some may argue that our current licensing is not perfect but works. They would be wrong. Every licensed individual that comes before you can attest to the inadequacy of the current producer licensing. There are many grey areas that people like to operate in and they do not want you to shine a light on those areas.

I recently took a small sample of the list of approved bail agents. There were 253 bail agents listed on those 4 lists (no duplicate names were counted), there were 63 agents listed under property bail agencies, and there were 38 completely unlicensed individuals on those lists. Over 10% of these lists were unlicensed and the remaining portion is only operating up to their agencies quality standards and not up to the states quality standards. Some people will claim that they have rigorous training, and I believe them, but there are over 200 filed corporate names with the Department of Labor & Economic Growth. Just because 2-3 agencies may have solid training does not mean that we should not have regulations.

When I first became licensed as a bail agent in the state of Michigan, there were less than 100 licensed bail agents in the state. Today we estimate the number to be close to 400. Like the rest of the country, Michigan has realized the benefits of utilizing Bail Agents. Unfortunately this has exacerbated the problems of lack of proper regulation.

Most people in our industry support proper licensing of all individuals involved in bail bonds. We currently have support from national insurance companies and trade associations, at our request they will be forwarding letters of support to this committee. It is easier for everyone involved to properly train in subjects related to our job. Almost all states prohibit felons from becoming bail agents, and many prohibit some misdemeanors from obtaining a license. States such as Missouri, which until recently did not screen for

felonies, has found itself in hot water with crimes committed by bail agents. Missouri has rushed to reassess their laws and begin to filter out individuals with criminal backgrounds. Because we operate as an arm of the court and have access to inmates, it is important that the public as well as the court system and jails can have the highest trust in those people licensed as Bail Agents, Bond Runners, and Fugitive Recovery Agents. Although in a perfect world we would like to have faith that an industry can regulate and police itself, greed often creeps in and the state must ensure a minimal level of safety. Registration is also an important aspect of our business. Currently there are at least 40 bond runners operating in the state of Michigan. A bond runner is an individual authorized to deliver a bond for a licensed bail bond agent or agency. Unfortunately there is no oversight of these individuals. It is currently assumed that the companies hiring and training bond runners will select the best candidates. Some companies use this grey area to hire people that will connect with their clientele, and in some instances these people would not be able to obtain their bail license because of a criminal background. Since bond runners are supposed to only deliver pre-completed paperwork from a licensed Bail Agent, it is important that they be screened as well. Unfortunately because a bond runner's powers are not outlined, they vary from county to county and from court to court. Those states that do allow bond runners, always license them and always outline their powers. States like North Carolina and South Carolina have good mechanisms to review and ensure that bond runners operate in a professional manner and that a licensed bail agent is held accountable for their actions. The use of bond runners has also helped smaller bail agency deal with the public better and service larger areas.

Licensing of Fugitive Recovery Agents is the most recent priority of most states. A Bail Agent's authority to arrest can cause problems if not handled correctly, and today with the increase in Bail Agent's sub-contracting this work out to others - many states have begun to encounter increasing problems. Every day there is a new story coming out regarding so called "bounty hunters" involved in a car chase or shootout. Fortunately for Michigan this has not become an enormous issue yet, but at least the Chairman of this committee understands the importance of being proactive in protecting the citizens of this state. There has been at least 1 instance of a Bail Agent from this state going to another state and being involved with a shooting. Michigan is one of the last states to properly regulate this portion of our industry. The recent growth in our industry is creating the need for this legislation. You would be amazed by the amount of interest generated in our office, each airing of national reality television show depicting "Bounty Hunters". I personally do not hire outside recovery agents that do not have a track record with my agency but many do and it would be nice if everyone involved in our industry could feel comfortable when they hire a new recovery agent. Once again, we can agree that each agency should at minimum complete a background check on each recovery agent that they hire, but I can attest to the fact that most do not. Many people flock to Michigan because of our lax standards. The current regulations are not followed because there is no one to enforce them. As bail grows in our state, so does the chance of error. Of the 15 largest cities in the country, Michigan is the only state that allows bail and does not have regulations regarding Fugitive Recovery Agents. Most states regulate Fugitive Recovery Agents with a tougher hand than bail agents. Training is a must. Oversight is needed. Michigan

regulates Security Professionals and Private Investigators and requires that they have training related to their field but Fugitive Recovery Agents are free to training in anything but the work they do.

Finally we have the licensing and registration of Property Bail Agents. This is currently the wild west of the Bail Bond Industry in our state. Property Bail Agents are a unique portion of our industry that uses personal assets to back the bonds that they write as opposed to surety Bail Agents which use the backing of insurance companies. Currently the state of Michigan has very little regulation of these individuals. The theory is that in the early 1900's people began writing bail for profit and would use their own assets to back the bonds. These individuals often worked in a local area and had a very close relationship with their local sheriff and judges but this has changed. As bail bonds have increased in this state, property bail agents have ventured out to deal with greater and greater territories. Property Bail Bonds are now written from Northern Michigan all the way to the borders of Ohio and Indiana. So what does it take to become a property bail agent? That depends on who you know and where you work. As bond sizes have increased and amount of total liability have increased, the requirements to become a property bond agent have actually decreased. In several counties it takes a deposit of between \$10,000 and \$50,000, in some counties it simply takes a certified financial statement, and in some counties it takes a simple application. There is no suitability test that is applied to property bail agents. In fact, I am not aware of a single court that requires training to become a property bail agent. As these agents have pushed to grow their business, there have been no limits put on their ability to write bail and there is no system for communication between counties. Some agencies utilize the same property in multiple counties to become qualified. Some agents have even incorporated and begun to be qualified as an agency instead of as a personal surety, this violates insurance code as they are operating as a surety company without meeting the state requirements. You can quickly see the chance of misuse. It is important that the state ensure a minimal level of training and safety. Because property bail agents often do not obtain insurance licenses and when they do, they do not conduct business under that license, property bail agents are not regulated by the Department of Insurance which ensures public safety. Who does an individual turn to when a property bail agent commits a violation? How do you know if a property bail agent has committed a violation? The answer is simple; they should be required to obtain a bail bond license. There are only a handful of states that allow property bail bond agents but all of those that do have and require bail agent licenses. In fact many states require more stringent regulations than our package includes. North Carolina, South Carolina, and Oklahoma require significant training and licenses. All bail agents in the state of Michigan should be regulated equally.

The remaining portions of the bills in this package are just as important as the licensing. They handle significant general updating of our operational laws. Currently the system used to approve and track approved bail agents in each county is archaic and cumbersome. We believe that a system similar to those used in Minnesota, Idaho, and New Jersey will serve as the best solution. Similar systems have been considered in Ohio. This system will centralize this list, allowing for easy management of the list.

December 15, 2009

Anyone registered with the OFIR and the SCAO will be allowed to write bail in any court, jail, police, department, etc. in the state. These list of approved individuals will be available electronically online, and any court or jail will be able to feel comfortable dealing with someone listed on these lists. At the same time, if there is a problem with an individual, they will be removed statewide to protect the interests of the public and the state. It may also surprise you that there are still some police departments, precincts, and courts that do not accept bail bonds. Bail Agents are ready, willing and able to service the citizens of the state of Michigan and Michigan will see immediate benefit by ensuring release at the lowest level possible. I am not aware of any other state that has a facility that detains pretrial defendants and does not require that bail bonds be accepted from an approved bail agent.

These laws will begin to bring Michigan into the National average regulations, similar to those used in other states with success. These laws will not solve all of Michigan's bail bond issues but it will begin to the process. As bail agents increase in numbers, more problems will present themselves. We must be committed to ensuring a safe, fair, and honest bail system in the this state. A well operating bail system will help alleviate many problems in our judicial system

Sincerely,

Justin Butler  
Michigan Bail Coalition  
You Walk Bail Bond Agency

## **I. Business**

A. Have been in the Bail Bond Business 14 years

1. Worked in my Father's agency for 6 years

B. Started my own agency in 2001

1. Have grown You Walk Bail Bond Agency

a) 70 Agents & Employees

b) Operate in 11 states

## **II. Licensing**

A. I carry licenses in over 15 states

B. I carry a Bail Bond license in 7 states

1. Kansas, Idaho, Louisiana, New Jersey, Nevada, Ohio, and Washington

C. I am approved in 5 of those states on the court's approved Bail Agent Lists

## **III. Michigan Bail Bond Licensing**

A. When I became licensed in 1998 there were less than 100 licensed bail agents

B. Michigan now has more than 350 licensed bail agents

1. It is tough to calculate this number because of no universal reporting method

C. Currently Bond Runners function in the State of Michigan but there are no rules that regulate them. Several counties allow their use but;

1. What powers do they have

2. Who can use them

3. Who is responsible for their actions

#### IV. Other States

- A. Looking at other states gives us a sense of opinion nationwide
- B. All of Michigan's neighboring Bail Bond states have Bail Agent licensing
- C. Just because another state has a specific procedure does not mean that it will work in Michigan
- D. Because of the growth of Bail Bonds nationwide, almost 75% of states utilizing Bail Agents have addressed licensing in the last 10 years
- E. States allowing Property Bond Agents always require licensing and do not approve corporations as property agents
- F. States that allow Bond Runners license and screen them
- G. Many states use a combined effort of the local Department of Insurance and their state court to oversee bail agents, bond runners, and fugitive recovery agent
  1. Oh – DOI, IN – DOI, NJ – DOI/Superior Court, MN – DOI/SCAO, NC – DOI, SC – DOI, OK – DOI, NY – DOI
- H. Almost NO states allow prior felons to become Bail Agents, Bond Runners, or Fugitive Recovery Agents
  1. Missouri has had to have emergency hearing because they were not screening people for felonies
  2. Problems in Ohio, New Jersey, North Carolina, Washington, & Florida have all led to new licensing requirements
- I. Bail Agent Registration is similar to NJ, ID, & MN
  1. Michigan is one of the few remaining states that does not continuously update their list of approved Bail Agents
  2. Michigan courts are overwhelmed by the number of agents registering
  3. Some courts and jails have extremely outdated lists

a) *This list is typically the only way that Michigan pretrial inmates can locate and obtain a Bail Agent.*

4. Some Michigan facilities still do not accept bail bonds

a) *Michigan is the only state that has this problem, that I am aware of*

5. Courts do not have a uniform method of dealing with bond forfeitures or bad actors

a) *Courts cannot communicate between each other*

## **V. Working with others**

A. Notified the Michigan Professional Bail Agents Association on October 22 and had several meetings regarding these issues

B. Numerous National Bail Insurance companies support these bills and will be providing letters of support

C. We have support of national trade organizations such as ALEC (the American Legislative Exchange Council)

D. National our industry feels that we are on the right side of the policy with these bills



STATE OF WASHINGTON

BAIL BOND AGENT

YOU WALK BAIL BOND AGENCY OF W  
JUSTIN E BUTLER  
39 CHURCH ST  
MT CLEMENS MI 48043

CERT/LIC NO.  
3064

EXP. DATE  
04/07/2010

*Elizabette A. Luce*  
Director

STATE OF WASHINGTON

DEPARTMENT OF LICENSING - BUSINESS AND PROFESSIONS DIVISION  
THIS CERTIFIES THAT THE PERSON NAMED HEREON IS AUTHORIZED, AS PROVIDED BY LAW, AS A



BAIL BOND AGENT

YOU WALK BAIL BOND AGENCY OF W  
JUSTIN E BUTLER  
39 CHURCH ST  
MT CLEMENS MI 48043

Licensee Released -

Termination Date \_/\_/\_

Signature of Qualified Agent

*Elizabette A. Luce*  
Director

Cert/Lic No.  
3064

Issued Date  
04/07/2009

Expiration Date  
04/07/2010

SEE REVERSE SIDE FOR OPENING INSTRUCTIONS



State of New Jersey  
Department of Banking and Insurance  
20 West State Street  
Trenton, NJ 08625-0327

LICENSE NUMBER  
**1192070**

EFFECTIVE DATE  
**09/15/2008**

EXPIRATION DATE  
**4/30/2010**

## INSURANCE PRODUCER LICENSE

THIS CERTIFIES THAT **JUSTIN E BUTLER**

IS DULY LICENSED AS A **PRODUCER**

AT BUSINESS ADDRESS **39 CHURCH STREET  
MT CLEMENS, MI 48043**

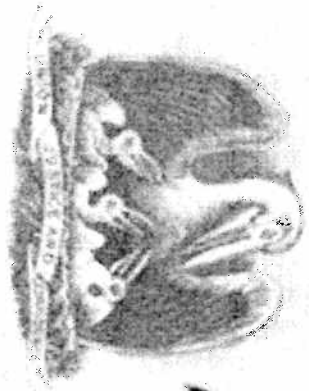
WITH THE AUTHORITIES OF **PROPERTY; CASUALTY; LL-BAIL BOND**

This insurance license is valid and shall remain in effect unless revoked or suspended provided that the fee set forth in N.J.A.C. 11:17-2.12 is paid and renewal requirements set forth in N.J.A.C. 11:17-2.5, including continuing education requirements for resident individuals, are met by the renewal effective date. A renewal application will be mailed to the licensee mailing address approximately 30 days prior to the renewal effective date. A new license will not be reissued upon renewal.

printed: 8/27/2009  
control number: 795

*Neil N. Jasany*  
Commissioner

# State of Louisiana



## Commissioner of Insurance

*certifies that*

Justin Eugene Butler

39 Church Street

MT CLEMENS, MI 48043

*has properly met the requirements for license renewal of the*

## **Louisiana Department of Insurance**

*The license indicated is current and in effect through*

04/30/2011

*License Number*

467768

Bail Bonds

A handwritten signature in cursive script, appearing to read "James J. Donelon".

**James J. Donelon**  
Commissioner of Insurance



State of Idaho  
Department of Insurance  
700 West State Street  
P. O. Box 83720  
Boise, ID 83720-0043

**Non-Resident Bail Agent License**  
Bail Surety

**JUSTIN EUGENE BUTLER**  
**MICHIGAN**

**Is authorized to transact business as described above**  
License No.: 314738      Issue Date: 04-17-2009      Expiration Date: 04-30-2011



(wall)

(wallet)

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



JUSTIN EUGENE BUTLER

LICENSE NUMBER: 314738

IS HEREBY AUTHORIZED TO TRANSACT BUSINESS  
IN ACCORDANCE TO THE LICENSE DESCRIPTION  
SHOWN BELOW:

**Non-Resident Bail Agent**  
Bail Surety

Issue Date: 04-17-2009  
Expiration Date: 04-30-2011

**JUSTIN EUGENE BUTLER**  
**39 CHURCH ST**  
**MOUNT CLEMENS MI 48043-2331**

This license is subject to suspension  
or revocation by the State in  
accordance with Idaho law.

Please verify the above information.  
If it is incorrect or if it changes,  
please notify the Licensing Section  
in writing immediately.

State of Ohio  
Department of Insurance

**JUSTIN E BUTLER**

Is licensed to engage in the business of insurance in the  
State of Ohio in the capacity stated below.



**Bob Taft, Governor**

*Surety Bail Bond*

License Number: 592239  
Date of License: November 14, 2001

*J. Lee Covington II*  
J. Lee Covington II, Director of Insurance

State of Kansas  
Department of Insurance

**INSURANCE AGENT LICENSE**

NPN/License #: 1948116

**JUSTIN EUGENE BUTLER**

39 CHURCH ST  
MOUNT CLEMENS, MI 48043-2331

I, SANDY PRAEGER, Commissioner of Insurance of the State of Kansas, by the authority vested in me by law, do hereby authorize the licensee named hereon to act with powers indicated below.

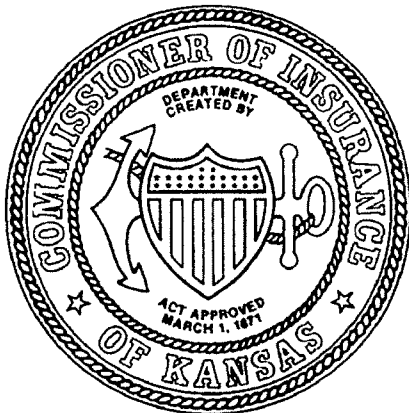
**Lines of Authority**

	Effective Date	Renewal Date
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BAIL BONDS
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August 26, 2009
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April 19, 2012
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IN WITNESS WHEREOF, I have hereunto  
affixed the Official Seal of this Department  
in the city of Topeka, Kansas, on  
August 27, 2009.

SANDY PRAEGER  
Commissioner of Insurance

NPN = National Producer Number

Note to Nonresident Agents: This license is based on your resident qualifications. License qualifications reflected by this license can be no greater than license qualifications in your state of domicile. The license is void upon issuance if you are not licensed in your state for the lines indicated.